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C O P Oct 4 **1957** Encl

Honorable Franklin G. Floete Administrator General Services Administration Washington 25, D. C.

Dear Mr. Floete:

On August 28, 1957, you forwarded to this Agency for review and comment a proposed General Services Administration General Regulation entitled, "Small Business Set-aside Program."

We have reviewed this proposed Regulation and do not have any suggestions for changes. Accordingly, we have no objection to its publication as a General Regulation. In our opinion, however, strict compliance with the procedures of the Regulation would create serious security problems and conflict with the responsibility imposed upon the Mirector of Central Intelligence by Section 102(d) of the National Security Act of 1947. In such cases we would be required to comply with the provisions of the Wational Security Act to the extent of any conflict with the General Regulation. For example, matters pertaining to classified contracts are handled even within our own procurement office on a "need-to-know" basis. It is evident, therefore, that application of this principle to non-Agency employees, even though cleared, is a logical extension of this policy. This, however, should not affect our ability to adhere to the principles emmciated in the Regulation in supporting the objectives of the Small Business Act.

Sincerely,

Signed

L. K. White Deputy Director

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Mr. Phil W. Jordan, Chairman Task Force for Review of Covernment Procurement Policies and Procedures General Services Administration Washington 25, D. C.

Dear Fr. Jordan:

Yur letter of September 12, 1955 submitted for review proposed General Regulation entitled. "Small Jusiness Procurement Set-Asides and Certificates of Competency."

We have reviewed this proposed regulation and have no specific suggestions for changes. Accordingly, we have no objection to its publication as a energy legal tion.

In our opinion, however, strict compliance with certain procedures of the regulation would create serious security problems and conflict with the responsibility imposed upon the lirector of Central Intelligence by Section 1.2(d) of the lational Security Act of 1947.

Under the circumstances our opinion respecting the sourcently proposed lener I Regulation is the same so that previously given the Administrator, Tener I Services Edministrator tion on this subject in our letter of tetober 4, 1997.

Sincerely

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I. A. Shite

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SUBJECT: Task Force for Review of Government Procurement
Policies and Procedures - Proposed GSA Regulation
transmitted by letter dated 12 September 1958 and
signed by Phil W. Jordan, Chairman

CONCURRENCES:

STATINIL	
Chief, Procurement Division/OL	; 0 / 30 / 18 Dete
STATINTL	
Chief, Real Estate & Construction/OL	10/30/18 Date
STATINTL	
Chief, Security Staff/OL	
STATINTL	
	11/5/57
Assistant Ceneral Counsel	Date